

Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-10
L-03 NSAE-00 PA-02 SP-02 SS-15 NSCE-00 SSO-00
INRE-00 AID-05 EB-08 TRSE-00 STR-07 OMB-01 CEA-01
HA-05 FRB-01 XMB-04 /084 W
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FM AMEMBASSY KUALA LUMPUR
TO USICA WASHDC IMMEDIATE
SECSTATE WASHDC IMMEDIATE 7308
AMEMBASSY BANGKOK PRIORITY
AMEMBASSY JAKARTA PRIROITY
AMEMBASSY MANILA PRIORITY
AMEMBASSY SINGAPORE PRIORITY

UNCLAS SECTION 1 OF 2 KUALA LUMPUR 8386

USICA

USICA FOR PGM/RC

E. O. 11652: N/A
SUB: ASEAN-U.S. CONFERENCE

1. BUSINESS TIMES, MALAYSIA'S ONLY BUSINESS DAILY, MONDAY,
REPORTED THE U.S.-ASEAN CONFERENCE IN HIGH GEAR. IT HAD THREE STORIES
ON THE FRONT PAGE, AN EDITORAIL AND RAN EXCEPRTS FROM U.S. PRESS
REACTION
IN ITS "WORLD WINDOW" COLUMN.

2. FOLLOWING EXTRACT FROM THE FRONT PAGE LEAD STORY, FOUR-COLUMN
SPREAD, HEADED "ASEAN SECURES U.S. BACKING FOR COMMON FUND" FROM
STEVEN TAN IN WASHINGTON:

3. "THE TWO-DAY DIALOGUE BETWEEN ASEAN MINISTERS AND TOP U.S.
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DID NOT PRODUCE ANY DRAMATIC RESULTS, AS EXPECTED, BUT THE
FIRM COMMITMENT GIVEN BY THE U.S. TO SUPPORT EFFORTS TO SET
UP THE COMMON FUND FOR COMMODITIES STANDS AS ONE OF THE
MOST POSITIVE ACHIEVEMENTS OF THE MEETING.

4. "PRESIDENT CARTER HIMSELF UNDERLINED THIS POINT WHEN HE
TOLD ASEAN MINISTERS AT THEIR MEETING THAT THE U.S. WANTED

TO 'SEE YOUR REGION CAPITALIZE NOW UPON THE GREAT NATURAL RESOURCES THAT YOU HAVE.'

5. "HOWEVER, THE U.S. HAS MADE NO SPECIFIC COMMITMENTS NOR WAS A SUM FOR THE COMMON FUND AT THE DIALOGUE WHICH HAD MAINLY DEALT WITH BROADER ISSUES...

6. "THE ASEAN"U.S. DIALOGUE ROUNDED OFF WITH AGREEMENT TO HOLD THE NEXT MEETING IN ONE OF THE ASEAN COUNTRIES (POSSIBLY KUALA LUMPUR) NEXT YEAR.

7." FOREIGN AFFAIRS MINISTER TENGKU AHMAD RITHAUDEEN SAID HE WAS VERY HAPPY WITH THE THOROUGH AND USEFUL DISCUSSIONS OVER THE PAST TWO DAYS.

8. "WHILE EXPRESSING GENERAL SATISFACTION OVER BROAD AGREEMENTS REACHED ON SEVERAL ISSUES, HE FOCUSSED ON COMMODITIES, THE REFUGEE PROBLEM AND TRADE LIBERALIZATION IN AN INTERVIEW WITH BUSINESS TIMES.

9."TENGKU RITHAUDEEN SAID HE WAS HAPPY OVER THE U.S. POSITIVE COMMITMENT ON THE COMMON FUND. HE HAS HAD ALSO EXTENSIVE TALKS WITH U.S. ADMINISTRATION AND CONGRESS LEADERS ON THE REFUGEE PROBLEM (WE'VE GOT THE MESSAGE ACROSS), HE SAID".

10. THE SECOND STORY, ALSO A FOUR-COLUMN SPREAD, HEADED UNCLASSIFIED

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"PLEGES: U.S. BACKS OUT" FROM THE JOHN TAN IN WASINGTON, MAINLY CONFINED TO REMARKS BY SPEAKERS FROM THE ASEAN DELEGATIONS AT THE THURSDAY MEETING.

11. THE THIRD STORY, FOUR-COLUMN SPREAD, HEADED"WHAT ASEAN CAN OFFER" WAS BASED ON THE MEETING WITH U.S. BUSINESSMEN.

12. FOLLOWING IS EDITORIAL ENTITLED "ASEAN-U.S.--ONE STEP FORWARD":

13. "ASEAN HAS GAINED A GOOD DEAL FROM LAST WEEK'S TWO-DAY DIALOGUE WITH THE U.S. IN TERMS OF PROMISES, INCLUDING ONE FROM PRESIDENT CARTER 'TO EMBARK ON A LONG-TERM PROCESS OF COOPERATION'. BUT FEW OF THE PROMISES ARE OF THE KIND THAT TRANSLATE READILY INTO PERFORMANCE. THIS WAS ONLY TO BE EXPECTED SINCE THE U.S. ADMINISTRATION IS IN NO POSITION TO MOVE FORWAD ON TRADE AND AID ISSUES. IN ONCE CASE, THE LARGER WORLDWIDE PROBLEM OF A NEW TRADE REGIME FOR THE 1980S IS STILL TO SORTED OUT, DISCOURAGING THE U.S. FROM MAKING ANY COMMITMENTS ON THE QUESTIONS RAISED BY DEVELOPING COUNTRIES ON ASPECTS THAT CONCERN THEM. IN THE OTHER. CONGRESS IS IN THIS PR-ELECTION PERIOD IN A N UNPREDICTABLE

MOOD. AS A RESULT, ALL THE U.S. COULD OFFER WAS 'A
GENERALISED COMMITMENT TO INCREASE AID VIA THE ASIAN
DEVELOPMENT BANK'".

14. "THE U.S. DECISION TO SEND AN INVESTMENT MISSION TO
ASEAN HEADED BY DEPUTY SECRETARY OF STATE CHARLES ROBINSON,
AND A TEAM FORM THE U.S. EXPORT-IMPORT BANK LED BY ITS
CHAIRMAN MR. JOHN MOORE, CORRESPONDS WITH ASEAN PRIORITIES.
THESE VISITS COULD LEAD TO SOME POSITIVE RESULTS WHICH WOULD
MAKE LAST WEEK'S DIALOGUE MORE WORTHWHILE POST FACTO.

15."THE ATTRACTIONS OF OFFSHORE MANUFACTURING BY AMERICAN
COMPANIES IN ASEAN COUNTRIES ARE DEPENDENT HOWEVER UPON THE
U.S. MAINTAINING AN OPEN MARKET. THE INITIATIVES ON INVEST-
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MENT PROPOSED BY THE U.S. GAIN A GOOD DEAL IN IMPORTANCE
FROM THE COMMITMENT MADE BY THE U.S.'TO PROMOTE MORE OPEN
WORLD MARKETS, WITH SPECIAL ATTENTION TO THE NEEDS OF THE
DEVELOPING COUNTRIES'. HOWEVER, THE RELATED ISSUE OF U.S.
TAX TREATMENT OF ITS COMPANIES OPERATING ABROAD, PERTINENTLY
RAISED BY ASEA, ELICITED NO RESPONSE THAT COULD SAFELY BE
RECORDED IN THE JOINT STATEMENT WITHOUT PROVOKING CONGRESS.

16. "ON BROAD NORTH-SOUTH ISSUES, ASEAN HAS SECURED A
SIGNIFICANT PROMISE FROM THE U.S. TO PUSH FOR INDIVIDUAL
COMMODITY AGREEMENTS AND TO BRING THE NEGOTIATIONS ON THE
COMMON FUND TO AN EARLY CONCLUSION. THIS DOES NOT AMOUNT
TO MUCH MORE THAN THE REITERATION OF WHAT THE U.S. HAS SAID
BEFORE, BUT IT IS NEVERTHELESS USEFUL IN GETTING BOTH SIDES
BACK TO THE NEGOTIATING TABLE WHICH THEY LEFT AMIDST MUTUAL
RECRIMINATIONS. BUT THIS DOES NOT MEAN THAT NEGOTIATIONS

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TO USICA WASHDC IMMEDIATE

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SHOULD START RIGHT AWAY: THIS WOULD BE DISASTROUS BECAUSE MUCH MORE SPADEWORK HAS TO BE DONE ON SOME OF THE TICKLISH ISSUES LIKE THE SIZE AND THE FINANCING OF THE FUND AND THE PURPOSES IT IS TO SERVE.

17. "PERHAPS THE MOST INTERESTING ASPECT OF LAST WEEK'S DIALOGUE ARE THE ONES WHICH ARE DISCREETLY LEFT OUT OF PUBLIC COMMENTS AND STATEMENTS. IT IS INCONCEIVABLE, FOR INSTANCE, THAT THE U.S. AND ASEAN LEADERS SHOULD HAVE SPENT TWO DAYS TOGETHER WITHOUT EXAMINING THE ISSUES RAISED BY THE VIETNAM-CAMBODIA CONFLICT. SOME OF THE THINGS THAT WERE SAID IN PRIVATE MAY SURFACE GRADUALLY IN THE NEXT FEW DAYS. THESE WILL SHOW WHETHER THE TALKS SERVED TO PROMOTE A MEETING OF MINDS ON THE POLITICAL PLANE. THE DIALOGUE WAS FOCUSED ON UNCLASSIFIED

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ECONOMICS, BUT AS SINGAPORE'S MR. RAJARATNAM SAYS, ECONOMICS AND POLITICS ARE INSEPARABLE."

18. THE "WORLD WINDOW" COLUMN QUOTING EXCERPTS FROM THE U.S. PRESS:

19. "THE NEW YORK TIMES, REGARDED AS THE MOST INFLUENTIAL NEWSPAPER IN THE U.S. PUBLISHED A NINE-PARAGRAPH, TWO-COLUMN STORY ON PAGE FOUR. THERE WAS NO BACKGROUND INFORMATION. THERE WAS NO PHOTO COVERAGE TO ENLIVEN THE STORY. THE WASHINGTON POST, CONSIDERED THE SECOND MOST INFLUENTIAL NEWSPAPER, ALSO 'CONCEALED' THE STORY. THE 13-PARAGRAPH, THREE-COLUMN STORY ON THE ASEAN-U.S. DIALOGUE APPEARED ON PAGE 20. COMMENTARIES OR BACKGROUND INFORMATION TO ENLIGHTEN PUBLIC PERCEPTION ON ASEAN WERE ABSENT.

20. "THE PRESENCE OF 10 ASEAN MINISTERS IN WASHINGTON AND

THE INTERNATIONAL ECONOMIC PROBLEMS DISCUSSED DID NOT SEEM
IMPORTANT ENOUGH TO DESERVE THE SPECIAL ATTENTION OF THE PRESS.

21. "THE FIRST THREE QUESTIONS ANSWERED BY ASEAN DELEGATES
AT THE PRESS LUNCHEON AT THE NATIONAL PRESS CLUB CONCERNED
POLITICS, NOTABLY BASIC HUMAN RIGHTS--PROBABLY THE MAIN
ELEMENT IN THE PERCEPTION OF THE AMERICAN PRESS CONCERNING
SOUTHEAST ASIA. THE WALL STREET JOURNAL--THE MEDIA READ BY
PRACTICALLY ALL AMERICAN BUSINESSMEN--DID NOT PUBLISH A
SINGLE WORD ON THE DIALOGUE IN ITS FRIDAY EDITION." ITEM.
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